

## REMARKS

INTRODUCTION:

In accordance with the foregoing, claims 1 and 14 have been amended. Claim 1 has been amended to address the Examiner's objection as set forth on page 2 of the Office Action, and has not been amended to narrow the scope of the claim. Claim 14 has been amended to correct a typographical error and has not been amended to narrow the scope of the claim.

No new matter is being presented, and approval and entry of the foregoing amendments is respectfully requested.

Claims 1-22 are pending and under consideration. Reconsideration is requested.

REJECTION UNDER 35 U.S.C. §102:

In the Office Action at pages 2-10, the Examiner rejects claims 1-22 under 35 U.S.C. §102(e)(1) in view of Mourad et al. (U.S. Patent Publication No. 2003/0135464). This rejection is respectfully traversed and reconsideration is requested.

By way of review, Mourad et al. teaches a system in which an end user device 109 is able to obtain digital content 113 from a digital store 103 if the end user device 109 has authorized a payment. (Paragraphs 0284 to 0294, 0590; FIG. 1 of Mourad et al.) Once received, the digital contents 113 is stored according to Storage Usage Conditions 519. (Paragraphs 0363, 815). However, Mourad et al. does not suggest that the end user device 109 distributes the obtained digital content 113 to another end user device. Additionally, there is no suggestion that, assuming such another end user device is able to use and pay for the digital content 113 obtained from the end user device 109, the end user device 109 receives some form of payment.

In contrast, claim 1 recites, among other features, "accessing by a user a server providing digital contents download services via a first communication network to make payment for digital contents on the server, and receiving a download of the digital contents on which a security code is set," and "*distributing the downloaded digital contents after making payment to another user.*" Claim 1 further recites that, "if the distributed digital contents are executed on the another user's computer, accessing the server automatically via the first or another communication network," and "*after the server is accessed and payment for the distributed digital contents is made by the another user, offering a predetermined compensation via the server to the user who received the downloaded digital contents.*" As such, it is respectfully submitted that Mourad et al. does not disclose or suggest the invention recited in claim 1.

For similar reasons, it is respectfully submitted that Mourad et al. does not disclose or suggest the invention recited in claims 6, 10, 12, 14, 16, and 19.

In addition, while the Examiner asserts that Mourad et al. suggests the features of claims 2-5 on pages 3 and 4 of the Office Action, the Examiner does not point to which elements of Mourad et al. correspond to the invention recited in claims 2-5.

In addition, in reviewing Mourad et al., Mourad et al. does not suggest that, if the digital contents 113 is disposed on another apparatus other than the end user device 109, the another apparatus contacts the digital store 103, the contents provider 101, the clearinghouse 105, or other entities. Instead, Mourad et al. appears to suggest that the digital contents 113 would not be operable since the digital contents 113 is only authorized for use at the end user device 109 due to a watermarking system and Store Usage Conditions 519 encoded in the digital contents 113. (Paragraphs 0315 to 0318, 0363 through 0367). In contrast, claim 2 recites that, "if the distributed digital contents are executed on the another user's computer, further accessing the server due to a failure of a security check on a security code set on the distributed digital contents." As such, it is respectfully submitted that Mourad et al. does not disclose or suggest the invention recited in claim 2.

For similar reasons, it is respectfully submitted that Mourad et al. does not disclose or suggest the invention recited in claims 7 and 10.

Also, in reviewing Mourad et al., Mourad et al. does not suggest that, if the end user device 109 has distributed the digital contents 113 to another user, the digital store 103, the contents provider 101, the clearinghouse 105, or other entities changes the watermark license 527, the Usage Conditions 517, or the Store Usage Conditions 519. In contrast, claim 3 recites that, "if the server is accessed and payment for the distributed digital contents is made by the another user, further resetting the security code set on the distributed digital contents for the another user who makes the payment." As such, it is respectfully submitted that Mourad et al. does not disclose or suggest the invention recited in claim 3.

For similar reasons, it is respectfully submitted that Mourad et al. does not disclose or suggest the invention recited in claims 8, 11, 13, 15, and 20.

Similarly, it is respectfully submitted that Mourad et al. does not disclose or suggest "further distributing the distributed digital contents on which the security code is reset to a different user," and "if payment for the further distributed digital contents is made by the different user, offering via the server a predetermined compensation to the another user who further distributed the distributed digital contents, and if payment for the further distributed digital contents is made by the different user, the security code which has been set on the distributed

digital contents is reset for the different user who makes the payment" as recited in claim 4; or "further distributing the downloaded digital contents to additional users by the another user who received the distributed digital contents," and "repeating said further distributing by the additional users to still other additional users hierarchically" as recited in claim 5.

For similar reasons, it is respectfully submitted that Mourad et al. does not disclose or suggest the invention recited in claims 9, 21, and 22.

Claims 17 and 18 are deemed patentable due at least to their depending from claim 14.

**CONCLUSION:**

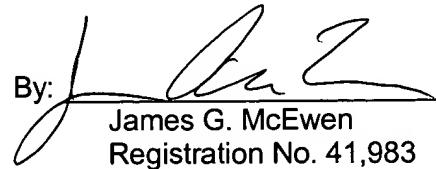
In accordance with the foregoing, it is respectfully submitted that all outstanding objections and rejections have been overcome and/or rendered moot. And further, it is respectfully submitted that all pending claims patentably distinguish over the prior art. Thus, there being no further outstanding objections or rejections, the application is submitted as being in condition for allowance which action is earnestly solicited.

If the Examiner has any remaining issues to be addressed, it is believed that prosecution can be expedited by the Examiner contacting the undersigned attorney for a telephone interview to discuss resolution of such issues.

If there are any additional fees associated with the filing of this Amendment, please charge the same to our Deposit Account No. 19-3935.

Respectfully submitted,

STAAS & HALSEY LLP

By:   
James G. McEwen  
Registration No. 41,983

1201 New York Avenue, NW, Suite 700  
Washington, D.C. 20005  
Telephone: (202) 434-1500  
Facsimile: (202) 434-1501

Date: Oct 29, 2003